

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 L-03 IO-14 NSC-05 AID-05
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FM AMEMBASSY ABIDJAN
TO DEPT OF TREASURY WASHDC
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DEPT PASS NAC AGENCIES

SUMMARY: AFRICAN DEVELOPMENT FUND (AFDF) MANAGEMENT PROPOSES 8.0 MILLION FUND UNIT OF ACCOUNT (FUA EQUAL TO US \$1.11) LOAN TO THE REPUBLIC OF BENIN TO FINANCE 78 PERCENT OF COST OF 74 KM DOGBO-ABOMEY ROAD. TOTAL COST OF PROJECT EQUAL TO 10.2 MILLION FUA TO BE CO-FINANCED BY AFDF AND GOB. END SUMMARY.

1. AFDF DOC BD/77/70 AND ATTACHMENTS DESCRIBING LOAN POUCHED TO ADDRESSEES NOV. 3. BOARD CONSIDERATION SCHEDULED FOR NOV. 23, 1977.

2. AFDF MANAGEMENT PROPOSES 8.0 MILLION FUA LOAN TO THE GOVERNMENT OF THE REPUBLIC OF BENIN TO FINANCE 78 PERCENT OF COST OF (A) CONSTRUCTION TO A TWO LANE BITUMEN STANDARD OF THE DOGBO-TOTA-AZOUVE-OUENKEI-ABOMEY ROAD. TOTAL LENGTH OF RKAD IS 74 KM. (B) CONSULTANCY SERVICES FOR ANALYSIS OF TENDERS, FINAL ENGINEERING DESIGN OF AN 8 KM STRETCH NOT INCLUDED IN THE ORIGINAL ENGINEERING DESIGN, AND FOR SUPERVISION OF CONSTRUCTION WORKS. AFDF FINANCING TO MEET ALL FOREX COSTS EQUAL TO 7.14 MILLION FUA AND 860 THOUSAND FUA IN LOCAL COSTS. GOB TO MEET REMAINDER OF LOCAL COSTS EQUAL TO 2.2 MILLION FUA. ALLOWANCE FOR PHYSICAL CONTINGENCIES IS 10 PERCENT; PRICE ESCALATION 20 PERCENT. CONSULTANCY SERVICES COMPRISE 10 PERCENT OF TOTAL COSTS. GOB TO MEET ANY COST OVERRUNS. PROCUREMENT OF UNCLASSIFIED

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GOODS AND SERVICES TO BE IN ACCORDANCE WITH AFDF INTERNATIONAL COMPETITIVE BID PROCEDURES. PROJECT TO BE COMPLETED JUNE 1980. PROPOSED TERMS 50 YEARS AMORTIZATION INCLUDING TEN YEARS GRADE, 0.75 PERCENT SERVICE CHARGE. GOVERNMENT OF REPUBLIC OF BENIN TO BE BORROWER, MINISTRY OF PUBLIC WORKS TO BE EXECUTING AGENCY.

3. THE PROJECT ROAD CONSISTS OF TWO BRANCHES. THE FIRST, DOBO-

TOTA-AZOVE-ABOMEY IS 63 KM LONG. THE SECOND BRANCH WHICH IS 11 KM LONG EXTENDS FROM THE TOWN OF OUEKEME AT THE TOGO-BENIN BORDER PASSING THROUGH APLAHOU TO AZOVE WHERE IT CONNECTS WITH THE FIRST BRANCH. IT IS ONE OF THE MAJOR TRUNK ROADS OF THE COUNTRY AND AN INTERNATIONAL ROUTE LINKING THE SOUTHERN REGIONS OF TOGO, BENIN, AND NIGERIA. THE ENTIRE DISTANCE FROM THE TOGO BORDER TO THE NIGERIA BORDER IS APPROXIMATELY 150 KM. THE 75 KM OF ROAD STRETCHING FROM ABOMEY TO THE NIGERIAN BORDER TOWN OF ILLARA IS PROGRAMED FOR CONSTRUCTION AT A FUTURE DATE. THE PORTION OF THE HIGHWAY NETWORK WITHIN TOGO HAS BEEN CONSTRUCTED TO BITUMEN STANDARD UP TO THE BENIN BORDER. ON THE NIGERIAN SIDE, CONSTRUCTION IS UNDERWAY TO LINK IBADAN TO ILLARA.

4. THE CURRENT ROUTE IS AN EARTH TRACK RUNNING ALONG RELATIVELY FLAT TERRAIN. THE SURFACE IS EXTREMELY ROUGH, AND THE ALIGNMENT POOR. DRAINAGE IS POOR CAUSING THE ROAD TO BECOME IMPASSABLE DURING THE RAINY SEASON. THE NEW ROAD WILL GENERALLY FOLLOW THE EXISTING ROUTE, BUT WILL BE 2 KM'S SHORTER DUE TO IMPROVED ALIGNMENT. THE PROPOSED ROAD IS DESIGNED FOR A BASIC SPEED OF 100 KM/PER HOUR WITH GRADIENTS VARYING BETWEEN AND AND FOUR PERCENT. THE ROAD WILL HAVE AN OVERALL WIDTH OF NINE METERS INCLUDING SIX METERS OF PAVED RUNNING SURFACE AND TWO SHOULDERS OF 1.5 METERS EACH. FEASIBILITY STUDIES AND ENGINEERING DESIGN WAS EXECUTED UNDER A 1975 AFDF LOAN BY KARWAT CONSULTANTS OF GERMANY.

5. THE PROJECTS ZONE OF INFLUENCE ENCOMPASSES THE TWO PROVINCES
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OF MONO AND ZOU WHICH COMPRISE 2.5 PERCENT OF BENIN'S TOTAL LAND AREA. THE AREA HAS A POPULATION OF 414 THOUSAND WHICH REPRESENTS THIRTEEN (13) PERCENT OF THE NATIONAL TOTAL. THE ZONE CONTAINS THE COUNTRY'S RICHEST AGRICULTURAL AREA, HAVING PRODUCED IN 1970 ONE-THIRD OF THE COUNTRY'S MAIZE, RICE, AND CASSAVA. THE AREA ALSO PRODUCED APPROXIMATELY TWO-THIRDS OF THE COUNTRY'S EXPORT PRODUCTS OF GROUNDNUTS, COTTON, AND TOBACCO. THE PROJECT ROAD IS EXPECTED TO ACCOMMODATE 321 VEHICLES PER DAY DURING THE FIRST YEAR AFTER COMPLETION. TRAFFIC IS EXPECTED TO GROW AT AN ANNUAL RATE OF 8.7 PERCENT REACHING AN AVERAGE DAILY LEVEL OF 1,565 AT THE END OF THE PROJECT'S LIFE IN THE YEAR 2000. INDUCED TRAFFIC IS ESTIMATED AT 11 PERCENT OF TOTAL TRAFFIC.

6. THE PROJECT ROAD IS EXPECTED TO FACILITATE ECONOMIC AND SOCIAL INTERACTIONS AMONG TOGO, BENIN AND NIGERIA. THE ROAD IS EXPECTED TO ENHANCE AGRICULTURAL PRODUCTION BY IMPROVING MEANS OF EVACUATION AND WILL ACCORD THE RURAL POPULATION WITH ECONOMIC AND SOCIAL LINKS. AVOIDED AND SAVED MAINTENANCE AND OPERATING COSTS INDICATE A 12 PERCENT INTERNAL RATE OF RETURN.
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